

§ 1506.5

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(iii) If collection of interest or other charges would jeopardize collection of the principal of the claim.

§ 1506.5 Demand for payment.

(a) A total of three progressively stronger written demands at approximately 30-day intervals will normally be made, unless a response or other information indicates that additional written demands would either be unnecessary or futile. When necessary to protect the Government's interest, written demand may be preceded by other appropriate actions under the Federal Claims Collection Standards, including immediate referral for litigation and/or offset.

(b) The initial written demand for payment shall inform the debtor of:

- (1) The basis for the claim;
- (2) The amount of the claim;
- (3) The date when payment is due, 30 days, from date of mailing or hand delivery of the initial demand for payment;
- (4) The provision for late payment (interest), penalty and administrative charges, if payment is not received by the due date.

§ 1506.6 Collection by offset.

(a) Collection by administrative offset will be undertaken only on claims which are liquidated or certain in amount. Offset will be used whenever feasible and not otherwise prohibited. Offset is not required to be used in every instance and consideration should be given to the debtor's financial condition and the impact of offset on Foundation activities.

(b) The procedures for offset in this part do not apply to the offset of Federal salaries under 5 U.S.C. 5514.

(c) Before offset is made, the Foundation will provide the debtor with written notice informing the debtor of:

- (1) The nature and amount of the claim;
- (2) The intent of the Foundation to collect by administrative offset, including asking the assistance of the other Federal agencies to help in the offset whenever possible, if the debtor has not made payment by the payment due date or has not made an arrangement for payment by the payment due date;

(3) The right of the debtor to inspect and copy the records of the Foundation related to the claim;

(4) The right of the debtor to a review of the claim within the Foundation. If the claim is disputed in full or part, the debtor shall respond to the demand in writing by making a request to the billing office for a review of the claim within the Foundation by the payment due date stated in the notice. The debtor's written response shall state the basis for the dispute. If only part of the claim is disputed, the undisputed portion must be paid by the date stated in the notice to avoid late payment, penalty and administrative charges. If the African Development Foundation later sustains or amends its determination, it shall notify the debtor of its intent to collect the claim, with any adjustments based on the debtor's response, by administrative offset, unless payment is received within 30 days of the mailing of the notification of its decision following a review of the claim.

(5) The right of the debtor to offer to make a written agreement to repay the amount of the claim.

(6) The notice of offset need not include the requirements of paragraph (c) (3), (4) or (5) of this section if the debtor has been informed of the requirements at an earlier stage in the administrative proceedings, e.g., if they were included in a final contracting officer's decision.

(d) The African Development Foundation will promptly make requests for offset to other agencies known to be holding funds payable to a debtor and, when appropriate, place the name of the debtor on the "List of Contractors Indebted to the United States." The African Development Foundation will provide instructions to the collecting agency for the transfer of funds.

(e) The African Development Foundation will promptly process requests for offset from other agencies and transfer funds to the requesting Foundation upon receipt of the written certification required by § 102.3 of the FCCS.

§ 1506.7 Disclosure to consumer reporting agencies and contracts with collection agencies.

(a) The African Development Foundation may disclose delinquent debts,